

**THE FIVE YEAR  
IMPLEMENTATION PLAN 2005-09**

**THE HUNTINGTON BEACH PROJECT  
("MERGED PROJECT AREA")**



**REDEVELOPMENT AGENCY  
OF  
THE CITY OF HUNTINGTON BEACH**

Department of Economic Development  
November 15, 2004



## **ACKNOWLEDGEMENTS**



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## TABLE OF CONTENTS

Introduction .....	1
Contents of the Implementation Plan .....	3
Blighting Conditions .....	3
Goals of the Redevelopment Plan .....	4
Implementation Plan 1999-2004 - Accomplishments .....	5
Projects & Activities.....	5
Affordable Housing Projects .....	8
Implementation Planning Period: 2005-09.....	10
Non-Housing Projects & Activities .....	10
Waterfront Project ~ Hyatt Regency Huntington Beach Resort & Spa.....	10
Waterfront Residential.....	11
Waterfront Expansion (Third Hotel) .....	11
The Strand (Blocks 104-105), CIM Project .....	12
Pacific City - 31-Acre Site .....	13
Atlanta/Beach Project.....	13
Edinger Corridor Specific Plan No.14.....	14
Huntington Center ~ Bella Terra.....	15
Beach/Edinger Project.....	16
Cypress and Elm .....	17
Oceanview Promenade – Abdelmuti Development .....	17
Auto Dealer Sign.....	18
Economic Development Program .....	18
Public Improvements .....	19
Non-Housing Projects Summary ~ Table II.....	20
Affordable Housing Programs ~ Housing Compliance Plan.....	22
Five-Year Budget.....	22

## Introduction

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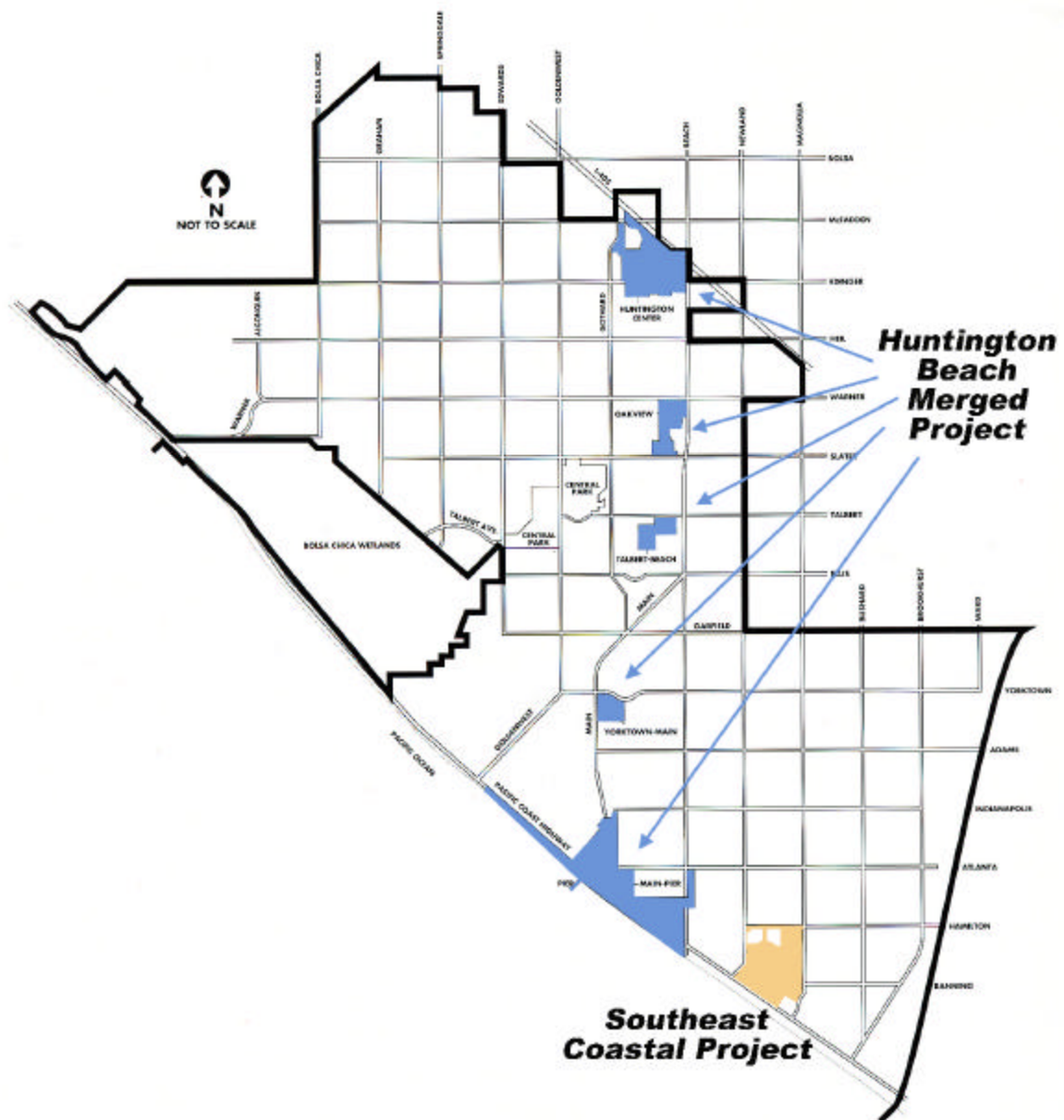
The City Council of the City of Huntington Beach (“City”) created its Redevelopment Agency in March 1, 1976. Between 1982 and 1984, the Agency adopted five separate redevelopment projects, namely Main-Pier, Talbert-Beach, Yorktown-Lake, Oakview, and Huntington Center. In December 1996, five redevelopment project areas were amended and merged to form a single project area called the Huntington Beach Redevelopment Project Area, also more commonly known as the “Merged Project Area”, consisting of 619 acres (less than 3.5% of the City’s acreage). The primary goal of the merger was to allow for the tax increment revenues from the five sub-areas to be spent throughout the merged area. Later on July 15, 2002, an amendment to the Merged Project Area Redevelopment Plan was approved which eliminated the time limits to incur debt to January 1, 2014 (City Ordinance 3566). After the plan termination dates (40 years from adoption date) listed below, the Agency can only pay previously incurred indebtedness, collect tax increment revenue, and enforce existing covenants, contracts, or other obligations.):

<b>Sub-Area</b>	<b>Adoption</b>	<b>Adoption Date</b>	<b>Termination Date</b>
Yorktown Lake	Ord. 2576	Sept. 20, 1982	Sept 20, 2022
Talbert-Beach	Ord. 2577	Sept. 20, 1982	Sept. 20, 2022
Original Main Pier	Ord. 2578	Sept. 20, 1982	Sept. 20, 2022
Oakview	Ord. 2582	Nov. 1, 1982	Nov. 1, 2022
Added Main-Pier	Ord. 2634	Sept. 6, 1983	Sept. 6, 2023
Huntington Center	Ord. 2743	Nov. 26, 1984	Nov. 26, 2024

With the adoption of AB1290 in 1993, Redevelopment Agencies were required to adopt implementation plans that contained specific goals and objectives for the project areas showing how expenditures were going to eliminate blight (California Health & Safety Code, §33490) and to update the plans every five years. The last Five-Year Implementation Plan 1999-2004 was adopted on December 20, 1999 and will expire on December 31, 2004. On December 16, 2002, a public hearing was held to evaluate the progress of the plan. The report showed that the Agency was meeting its goals and fully described the accomplishments for the period evaluated.

The Merged Project Area Five Year Implementation Plan 2005-09 (Implementation Plan) presents the goals and objectives, anticipated projects and programs, and estimated expenditures for 2005 through 2009. The adoption of the Implementation Plan does not constitute an approval of any specific program or project, as these approvals will be considered as the projects are implemented. The Implementation Plan provides a framework to guide the Agency to affirm its goals and evaluate its progress. California Community Redevelopment Law §33490(c) requires that the Redevelopment Agency evaluate the progress of its Five Year Implementation Plan by holding a public hearing prior to the end of the third year, which would be in December 2007. In addition, to monitor the progress of the Agency in relation to its Implementation Plan, the Agency submits its annual reports to the California State Controller and the Department of Housing and Community Development. This Implementation Plan will expire on December 31, 2009.

As additional background information, the Agency adopted two other project areas that are not part of the Merged Project Area. The first was the Warner-Goldenwest Small Lot Redevelopment Plan, adopted on August 1, 1977 and closed on August 30, 1992, earlier than the original duration of the plan as the goals of the plan were achieved. The second is the Southeast Coastal Redevelopment Project Area, adopted on June 17, 2002 that is still within its first Five Year Implementation Plan.



## Contents of the Implementation Plan

Section 33490 of the California Community Redevelopment Law (“Law”) requires that the Implementation Plan include the following information:

- specific goals and objectives of the Agency for the Merged Project Area,
- the specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years, and
- an explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area and will improve and increase the supply of housing affordable to very low, low, and moderate income households.

The Law also requires that the Implementation Plan address the Agency’s affordable housing production needs and achievements. These items are addressed in a separate document, the *Ten Year Affordable Housing Compliance Plan*, which is incorporated herein by reference.

## Blighting Conditions

Redevelopment projects are established to remedy conditions of blight as defined by the Law that is in effect *at the time a redevelopment project is adopted*. The Law’s definition of what constitutes blight has changed substantially since the constituent areas of the Project Area were established in the early 1980s. The Law’s current blighted definition is set forth below:

- **Unsafe/Dilapidated/Deteriorated Buildings:** Buildings in which it is unsafe or unhealthy for persons to live or work. Serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors can cause these conditions.
- **Physical Conditions that Limit the Economic Viability and Use of Lots/Buildings:** Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
- **Incompatible Uses:** Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
- **Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownership:** The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
- **Depreciated/Stagnant Property Values; Impaired Investments:** Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
- **High Business Turnovers and Vacancies/Low Lease Rates/Abandoned Buildings/Vacant Lots:** Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.

- **Lack of Neighborhood Commercial Facilities:** A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- **Overcrowding/Excess of Adult Businesses:** Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare.
- **High Crime Rates:** A high crime rate that constitutes a serious threat to the public safety and welfare.

The Law also characterizes inadequate public improvements as blight when the above conditions are also present.

The Agency has previously documented blighting conditions that persist in the Project Area in conjunction with the 1996 plan amendment and again in 1999. These persistent conditions included deterioration, irregular subdivision of lots, age and obsolescence, inadequate public improvements, and high crime rates relative to other areas of the City. The Agency's proposed projects and expenditures outlined in this Plan will be evaluated in terms of how such activities address these blighting conditions.

## Goals of the Redevelopment Plan

Section 500 of the Huntington Beach Project Redevelopment Plan delineates the Agency's community development goals for the Project Area. These goals formulate the overall strategy for this Implementation Plan and serve as a guide for the Agency's activities:

- Eliminate and prevent the spread of conditions of blight including: underutilized properties and deteriorating buildings, incompatible and uneconomic land uses, deficient infrastructure and facilities, obsolete structures, and other economic deficiencies in order to create a more favorable environment for commercial, office, industrial, residential, and recreational development.
- Expand the commercial base of the Project Area.
- Improve public facilities and public infrastructure.
- Improve inadequate drainage infrastructure.
- Improve and/or provide electric, gas, telephone, and wastewater infrastructure to both developed and undeveloped properties within the Project Area.
- Promote local job opportunities.
- Encourage the cooperation and participation of residents, businesses, business persons, public agencies, and community organizations in the redevelopment/revitalization of the Project Area.
- Implement design and use standards to assure high aesthetic and environmental quality, and provide unity and integrity to developments within the Project Area.
- Address parcels of property that are: of irregular form and shape, are inadequately sized for proper usefulness and development, and/or are held in multiple-ownership.
- Remove impediments to land disposition and development through the assembly of property into reasonably sized and shaped parcels served by improved infrastructure and public facilities.
- Recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources.
- Promote the rehabilitation of existing housing stock.



- M) Increase, improve, and preserve the community's supply of housing affordable to very low, low and moderate-income households.

## ***Implementation Plan 1999-2004 - Accomplishments***

On December 16, 2002, a public hearing was held to evaluate the progress of the Implementation Plan adopted in 1999. The report showed that the Agency was meeting its goals of the plan. Now at the conclusion of this five-year period, the accomplishments of the Agency are:

### **Projects & Activities**

- **Waterfront Project ~ Hyatt Regency Huntington Beach Resort & Spa:** The 517-room Hyatt Regency Huntington Beach Resort & Spa and its Conference Center opened for business on January 19, 2003. The project includes a 50,000 square foot conference center and 13,000 square feet of specialty retail and a spa. A Community Facilities District was formed to fund \$16 million in public improvements related to the Hyatt Regency. This project won the California Redevelopment Association's Award for Excellence 2004 in the Special Citation Category. Landscaping improvements in Pacific Coast Highway were completed later in the year that added to the resort theme. An initial completion value of \$177 million determined the 2003-04 property Tax Increment for the Hyatt Resort. The success of the project has resulted in Transient Occupancy Tax and Tax Increment being higher than expected. So far, the Agency has made three payments totaling \$2,471,800 towards its Developer Advance loan repayment obligation of over \$11 million plus interest.
- **Degraded Wetland Preservation:** In 2002, the Robert Mayer Corporation quitclaimed back to the Redevelopment Agency a one acre parcel that was removed from the Residential project for wetland preservation. An additional three (3) acres was dedicated to the City to serve as a buffer area between the development and the wetland.
- **Waterfront Project ~ Residential:** Escrow closed on June 13, 2003, conveying the Waterfront Residential parcel from Mayer Financial, LLC to the residential merchant builders. Shortly thereafter, construction on 184 market rate residential units began. William Lyon Homes is building 78 paseo homes ("SeaColony"), and Christopher Homes is building 106 courtyard homes ("SeaCove"). Sales have commenced in both developments with escrow closing on the first two phases of the paseo homes. The Redevelopment Agency will receive a "participation payment" of 15% of the sales proceeds above a \$59 million threshold. As of October 15, 2004, \$1,142,355 in participation payments has been received.
- **Duke's/Chimayo's restaurants and Pier Plaza:** These restaurants are located in a City owned 15,000 square foot building adjacent to the pier. Just north of the pier is Pier Plaza, a major public venue that hosts the Friday Farmer's Market & Crafts Fair, and other public events such as "Pier Plaza Presents".
- **Plaza Almeria:** Construction was completed in August 2000, on this mixed-use project with 40,000 sf of retail/commercial and 42 townhomes. Plaza Almeria received national recognition as an example of successful mixed-use development and was awarded the California Redevelopment Association's 2002 Award of Excellence.





- **The Strand (Downtown Blocks 104-105):** A Disposition and Development Agreement was approved in 1999 for the redevelopment of the two-block area bounded by Fifth, Pacific Coast Highway, Sixth and Walnut. On October 1, 2002, the Planning Commission approved the project's entitlements with certain conditions. CIM is proposing a visitor-serving project with retail, restaurants, entertainment and hospitality uses on a portion of Blocks 104 and 105 in downtown Huntington Beach. The project is proposed with retail (53,000 sq. ft.), restaurants (40,000 sq. ft.) offices (28,000 sq. ft.) and a 149-room hotel (110,880 sq. ft.). The total project is estimated to be 231,880 sq. ft. During 2003-04, Agency staff worked to clear title for its parcels to be conveyed to CIM, including paying off a loan secured by several properties owned by the Agency within this project. The CIM Group began its oil well re-abandonment program. The Replacement Housing Plan for the project, adopted on May 3, 1999, first identified that there would be nine residential rental units displaced; since that time, consideration for these units are no longer necessary as the portion of the site with residential units was removed from the scope of development. In September 2003, the Redevelopment Agency and CIM entered into an Implementation Agreement whereby the Agency agreed to pay up to \$1.5 million for 60 or more additional parking spaces to be constructed on-site. A \$250,000 commitment payment toward these additional spaces was made in September, 2004. The site was conveyed to the developer on June 25, 2004. Construction on the project began on October 11, 2004. Community Facilities District (CFD 2004-1) is in the process of being formed to issue a maximum of \$15 million in tax-exempt bonds to fund the public improvements associated with this project.



- **Main/Walnut:** The former Standard Market building was replaced with a new 9,000-sf, two-story, retail building with construction completed in 2000 that houses a restaurant on the second level and retail at the street level. An Owner Participation Agreement between the Redevelopment Agency and Mohammed & Adel Zeidan was approved June 20, 1997. The Agency provided \$146,800 in financial assistance and obtained a recorded covenant to restrict its use (no residential, no arcade, no manufacturing) until 2022. The 1997 Assessed Value was \$347,149, compared to the 2004 Assessed Value of \$1,424,877.



- **Bella Terra (Huntington Center Mall):** Majority ownership of this 58-acre regional site changed hands in late 1999, with Ezralow Retail Properties becoming the new owner. As Huntington Center Associates, LLC (HCA), Ezralow partnered J.h Snyder Co. to redevelop this



outdated retail property into an entertainment/life style center. HCA entered into an Owner Participation Agreement (OPA) with the Agency on October 2, 2000. Kohl's opened for business on March 7, 2003, in the remodeled retail space vacated by the Broadway. Community Facilities District 2003-1 (Huntington Center) was formed in 2003 that ultimately resulted in providing \$25 million in tax-exempt bonds to fund the public improvements associated with the project.

Construction of Phase I improvements near Sher Lane and Edinger were completed with new drive lanes, pedestrian walkways and landscaping improvements. During the summer of 2004, the construction on the movie theatres and public parking structure commenced.

- **Sale of Agency Properties:** During this period the Agency sold two of its downtown properties, 438 Main Street and 214 Fifth Street. The 438 Main Street office building sold for \$887,513, and has been renovated to modern standards. The vacant parcel at 214 Fifth Street sold for \$1,047,700 in September 2004.



- **Elm/Cypress** – Negotiation on this Agency owned parcel is on hold due to a change of ownership in the adjacent properties.
- **Edinger Corridor Specific Plan:** The Department of Economic Development, the Planning Department, and the Public Works Department have been working with EDAW, Inc. to draft the Edinger Corridor Specific Plan SP14. Three public workshops were held inviting property owners, businesses, and tenants to provide input on the community's vision for the area. SP14 is proposed to cover an area along Edinger Avenue between Beach Boulevard and Goldenwest Street, and most of the Huntington Center Redevelopment sub-area. Draft SP-14 is near completion and will be presented to the Planning Commission and City Council for approval during 2005.

## Affordable Housing Projects

The Agency completed 27 affordable housing projects during its last Ten-Year Housing Compliance Plan period (1994-2004), of which 15 were completed during the last five years of the plan period (1999-2004). The housing projects completed during this five-year period added 640 units to the Agency's affordable housing inventory, at a total cost to the Agency of \$11,804,734.

Table I below lists the Agency's affordable housing projects completed during the last ten years. These projects are more fully described in the companion document, the *Ten Year Housing Compliance Plan 2005-14*.

**TABLE I**  
**Affordable Housing Projects Completed**

Project	Affordability Period	Year Built	Category	Affordable Units / Total Units	Type of Agency Assistance
The Tides	30 years	2004	Family	12 / 77	Inclusionary
Hermosa Vista Apartments	60 years	2004	Family	88 / 88	\$3,325,000 Agency loan & bond financing
The Fountains Senior Apartments	60 years	2003	Senior	80 / 271	\$2,000,000 Agency loan & bond financing
Huntington Pointe Apartments	60 years	2003	Family	104 / 104	\$1,700,000 Agency loan & bond financing
Sher Lane Apartments	30 years	2003	Family	66 / 66	\$1,200,734 Agency loan
Bowen Court Senior Apartments	60 years	2002	Senior	20 / 20	\$900,000 Agency loan & discounted land lease
Ash Street Condos	60 years	2002	Family	6 / 6	Inclusionary
Shelter for the Homeless – Barton 2	30 years	2002	Family	4 / 4	\$350,000 Agency loan
Habitat for Humanity – Yorktown	60 years	2001	Family	3 / 3	\$319,000 Agency grant
Interval House	30 years	2001	Family	6 / 6	\$585,000 Agency loan
OCCHC – Koledo 5	60 years	2000	Family	5 / 5	\$285,000 Agency loan
OCCHC – Koledo 4	60 years	2000	Family	10 / 10	\$570,000 Agency loan
Cape Ann	30 years	2000	Family	146 / 146	Inclusionary
The Promenade	30 years	2000	Family	80 / 80	Inclusionary
OCCHC – Koledo 3	60 years	2000	Family	10 / 10	\$570,000 Agency loan
Greystone Keys	30 years	1998	Family	24 / 150	Inclusionary
Pacific Landing	30 years	1998	Family	5 / 29	Inclusionary
Habitat for Humanity – Ronald Road	30 years	1997	Family	3 / 3	\$163,000 Agency grant
OCCHC – Koledo 2	30 years	1997	Family	8 / 8	\$380,000 Agency loan
Bridges Apartments	30 years	1997	Family	80 / 80	\$79,079 Agency loan & Inclusionary
OCCHC – Queens	30 years	1997	Family	8 / 8	\$490,000 Agency loan

Project	Affordability Period	Year Built	Category	Affordable Units / Total Units	Type of Agency Assistance
Sea Air Apartments	30 years	1996	Family	36 / 36	\$546,000 Agency loan
Pacific Park Villas	30 years	1996	Family	25 / 38	\$1,057,000 Agency down payment assistance loans
OCCHC – Koledo 1	30 years	1996	Family	10 / 10	\$518,000 Agency loan
Shelter for the Homeless – Barton 1	30 years	1994	Family	4 / 4	\$320,000 Agency loan
Project Self Sufficiency	30 years	1994	Family	9 / 9	\$650,000 Agency loan
OCCHC – Keelson	30 years	1994	Family	4 / 4	\$225,000 Agency loan
Shelter for the Homeless – Keelson	30 years	1994	Family	4 / 4	\$345,000 Agency loan

In addition to these projects, the Agency also implemented the following programs:

- Preservation of Affordable Housing Covenants:** The Agency holds 30-year affordability covenants on 350 owner-occupied Inclusionary Housing Program units, which are restricted to very low, low, median, and moderate income buyers. When any of these units sell, the Agency must determine the home's affordable sales price and verify buyer eligibility. During the current five-year plan period, the Agency approved 377 sales and/or resales of these homes. The Agency must also approve all refinances to ensure that homeowners do not over encumber their property. During this five-year period, the Agency reviewed and approved 367 refinances.
- Housing Rehabilitation Loans:** During the current five-year plan period, 101 housing rehabilitation loans and 9 emergency repair grants were awarded to low-income homeowners for a cumulative amount of \$1,769,391 using CDBG program funds.

## Implementation Planning Period: 2005-09

The following narratives describe the non-housing projects proposed for the next five years. Anticipated program expenditures are based on projected tax increment revenue expected for FY 2004-05 to FY 2008-09. Greater or lesser funding may be available; depending upon actual assessed valuation changes in the Project Area. Table II, page 17, summarizes the non-housing projects as described below. Table III, page 19, summarizes the housing projects with the detail of these projects more fully contained in the *Ten Year Housing Compliance Plan*.

### Non-Housing Projects & Activities

#### Waterfront Project ~ Hyatt Regency Huntington Beach Resort & Spa

##### **Description:**

The Hyatt Regency Resort and Spa opened for business in January 2001. The economic success of this project is enabling the Agency to repay its loan to the developer at a much-accelerated rate than first anticipated. The balance of the Developer Advance as of June 2004 is approximately \$11,459,000. Beginning with the Third Operating Year (2005), the Developer must submit a Certified Annual Statement to the Agency prior to April 30th (120 days after the close of the Operating Year). The Participation Rent, 3% of the Adjusted Room Revenue above \$25 million, is due by April 30<sup>th</sup>.



##### **Action:**

Agency staff will work to assure that the Developer Advance loan is repaid from the pledged revenue sources and that other obligations pertaining to the Disposition and Development Agreement are met. Staff will continue to monitor the Tax Increment and Transient Occupancy Tax pledged as the sources for the loan repayment, and will calculate and process the payments to the developer. Staff also monitors the lease payments and the beach restriction lease payments to assure that these payments to the Agency are made. Likewise, the revenues are monitored for consistency with the agreement.

##### **Expenditures:**

Anticipate an annual loan payment of \$2 million per year over the next five years for a total of \$10 million paid.

##### **Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Remove impediments to development
- Redevelop underutilized parcels

##### **Conditions of Blight Addressed:**

- Inadequate public improvements
- Social and economic maladjustment

## **Waterfront Residential**

### ***Description:***

Construction is underway on 184 market-rate residential units on the residential portion of the Waterfront site.

### ***Action:***

Staff will monitor completion of the project to ensure it conforms with the requirements of the Disposition and Development Agreement. In addition, staff will monitor and track the participation payments due.

### ***Plan Objectives Addressed:***

- Improve public facilities and infrastructure
- Remove impediments to development
- Redevelop underutilized parcels

### ***Conditions of Blight Addressed:***

- Inadequate public improvements
- Social and economic maladjustment

## **Waterfront Expansion (Third Hotel)**

### ***Description:***

Located on a 3.456-acre parcel between the Hyatt Regency and the Hilton hotels, a future Waterfront phase calls for an additional, third hotel of about 300 rooms. Currently there are interim uses on the site: tennis courts, gazebo, parking and a large tent used for conferences and community meetings.

### ***Action:***

Staff will work with the developer to ensure it proceeds in a timely manner pursuant to the existing DDA.

### ***Expenditures:***

None anticipated at this time.

### ***Plan Objectives Addressed:***

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Remove impediments to development
- Redevelop underutilized parcels

### ***Conditions of Blight Addressed:***

- Inadequate public improvements
- Social and economic maladjustment



## **The Strand (Blocks 104-105), CIM Project**

### **Description:**

Over a period of years the Redevelopment Agency assembled several small lots in the downtown and proposed a mixed use commercial and hospitality (hotel or timeshare) uses that may include theaters, restaurants/cafes, retail and a specialty market. Escrow closed on June 25, 2004, conveying the Agency properties to CIM group for the Strand project. The project encompasses 3.97 acres (including the Fifth Street right of way) and includes four separate buildings ranging in height from two to four stories with not more than 227,000 gross square feet of floor area. Uses include between 100,000 and 110,000 square feet of commercial space and a hotel with between 140 to 152 rooms. Of the commercial space, up to 40,000 square feet may be devoted to restaurant uses and a minimum of 28,000 square feet will be devoted to office uses. Parking will be provided in two levels, subterranean parking garage accessed from Sixth Street with approximately 500 spaces. A Community Facilities District was formed in 2004 that will enable the issuance of bonds to fund public improvements associated with the project.



### **Action:**

The Agency is assisting the developer with the issuance of a \$15 million CFD bond.

### **Expenditures:**

During the five-years, the Agency anticipates reimbursing the developer approximately \$2.3 million of its \$7.9 million developer advance obligation. Project-generated tax revenues will offset these costs. In addition, a second \$250,000 commitment payment for the additional parking shall be paid to the developer upon commencement of construction on the parking facility in 2005. The balance of the up to \$1.5 million of total cost for the additional parking shall be funded through the proposed CFD. The Agency will commence repayment of the financed portion of the additional parking costs upon completion of the project with up to \$400,000 in payments to be made during the next Implementation Plan period.

### **Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Implement compatible design and use standards
- Remove impediments to development

### **Conditions of Blight Addressed:**

- Defective design and character
- Age, obsolescence and deterioration
- Irregular lot subdivision
- Inadequate public improvements
- Social and economic maladjustment



## Pacific City - 31-Acre Site

### **Description:**

Makar Properties, owner of this key downtown property known as "Pacific City," a unique 31-acre parcel fronting on PCH between First and Huntington streets is well suited for an exciting regional visitor-serving oriented project and residential uses on the rear portion of the site. The approved plan includes restaurants, entertainment, retail, hospitality and residential on the site. A multi-year construction program is anticipated.

### **Action:**

None required.

### **Expenditures:**

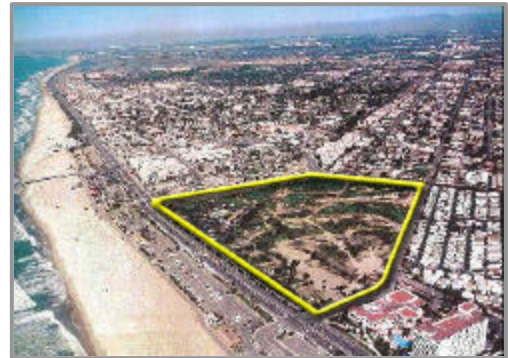
No Redevelopment funding is anticipated for this project.

### **Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Implement compatible design and use standards
- Remove impediments to development

### **Conditions of Blight Addressed:**

- Defective design and character
- Age, obsolescence and deterioration
- Irregular lot subdivision
- Inadequate public improvements
- Social and economic maladjustment



## Atlanta/Beach Project

### **Description:**

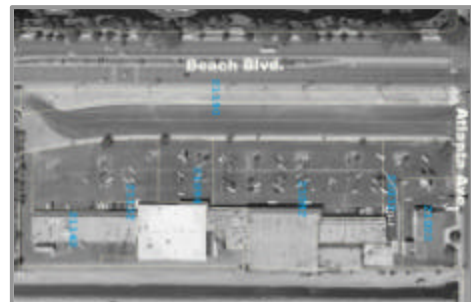
One of the current owners is attempting to assemble the remaining properties encompassing the Atlanta and Beach Boulevard property, a severely deteriorated shopping area. Schematic drawings have been presented to the City for a major remodel and upgrade. It is anticipated that the Redevelopment Agency will be an active participant in facilitating the redevelopment of this center.

### **Action:**

Continue to monitor the feasibility of redeveloping this center.

### **Expenditures:**

None are anticipated at this time.



### ***Plan Objectives Addressed:***

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Implement compatible design and use standards
- Remove impediments to development

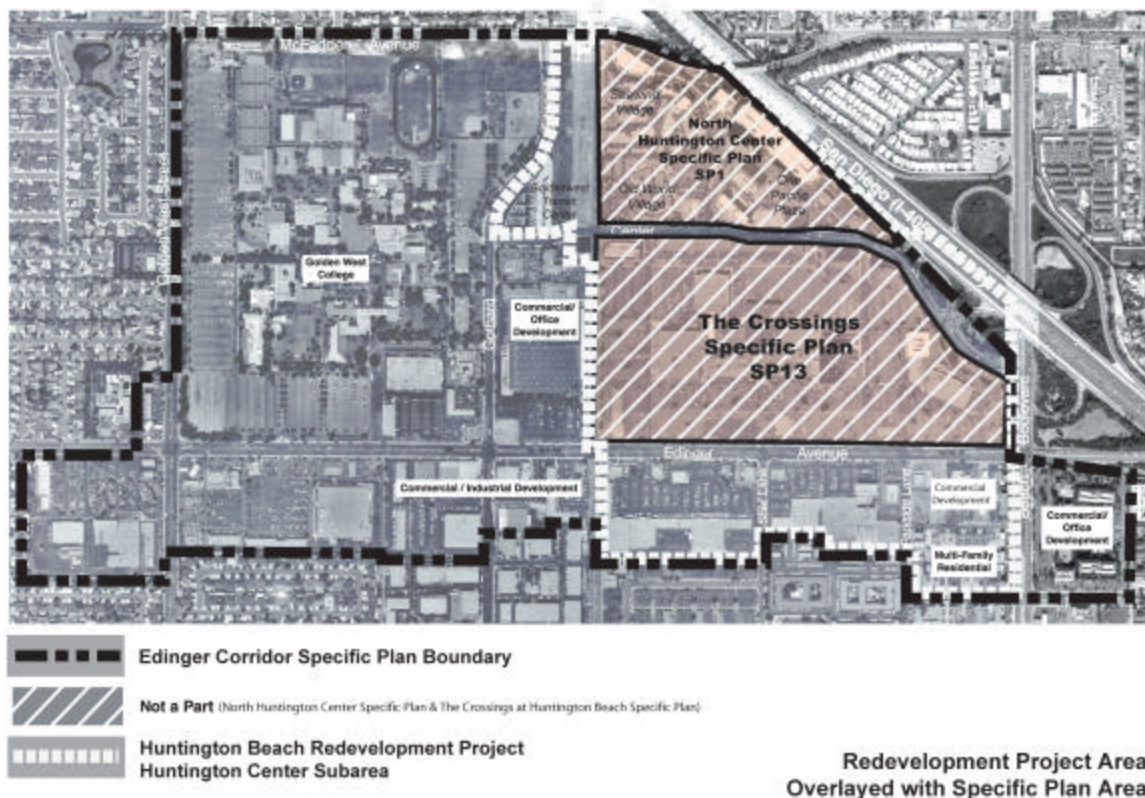
### ***Conditions of Blight Addressed:***

- Defective design and character
- Age, obsolescence and deterioration
- Inadequate public improvements

## **Edinger Corridor Specific Plan No.14**

### ***Description:***

The Edinger Corridor Specific Plan No.14 covers an area along Edinger Avenue between Beach Boulevard and Goldenwest Street, and most of the Huntington Center Redevelopment sub-area. It surrounds the Crossings at Huntington Specific Plan, SP13, and North Huntington Center Specific Plan, SP1. The intent of this plan is to provide a more cohesive planning effort between Beach Boulevard to the commercial properties at Goldenwest and Edinger, and northerly towards McFadden. The plan has evaluated the land use, zoning, and proposes to improve the circulation, ingress/egress, and new development opportunities in the area.



### ***Action:***

Approve the Edinger Corridor Specific Plan No. 14 and implement public improvements programs.

### ***Expenditures***

During the five-year period, it is anticipated that the Agency will make expenditures on public improvements in the Edinger Corridor area. However, these amounts will not be determined until after the Edinger Corridor Specific Plan No.14 is approved.

### ***Plan Objectives Addressed:***

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Encourage the cooperation and participation of residents, businesses, business persons, public agencies, and community organizations in the redevelopment/revitalization of the project area
- Implement compatible design and use standards
- Remove impediments to development

### ***Conditions of Blight Addressed:***

- Defective design and character
- Age, obsolescence and deterioration
- Inadequate public improvements
- Social and economic maladjustment

## **Huntington Center ~ Bella Terra**

### ***Description:***

Formerly known as the Huntington Beach Mall, ownership of this 63-acre regional site changed hands in late 1999 with Ezralow Retail Properties becoming the new owner, teaming with J.h Snyder Company. Plans for the new center include an entertainment/retail focus. Century Theaters will occupy an all-stadium 5,000-seat 20-screen cinema complex that will anchor the transformation of the Mall into an open-air entertainment/life-style center renamed as "Bella Terra". Bella Terra will follow an upscale Northern Italian village theme, incorporating fountains, courtyards, and garden areas into a great space for people of all ages. The new project will total almost 1 million square feet. Through the Owner Participation Agreement, approved on October 2, 2002 between Huntington Center Associates and the RDA, the Redevelopment Agency's financial contribution is limited to \$16,750,000, if the site included the Wards parcel and \$15 million without. The Wards parcel, under separate ownership, is not yet included in the redevelopment of the mall. The Agency's obligation will be reimbursed to the developer over 20 years from site-generated Tax Increment and Sales Tax. The Agency's reimbursable costs are for the following activities: demolition, clearance, site preparation, public improvements, utilities & facilities, and acquisition of the land and easements. The interest rate on the Developer Advance has not been fixed since a Community Facilities District was formed issuing bonds at a lower interest cost. The Agency may share in future project revenues of 20% of the adjusted gross project revenues if a certain benchmark is achieved. Project completion on the Ezralow development is anticipated by the third quarter of 2005.

### ***Action:***

Continue to monitor the progress of the completion of the redevelopment of the Ezralow portion. Work to encourage the redevelopment of the Wards parcel in an integrated manner. The Developer Advance payments will need to be calculated and made on an annual basis.





### ***Expenditures:***

Through its construction costs, as the Wards parcel is not included in the renovation, Huntington Center Associates will have advanced \$15 million to the Agency, which created the “Developer Advance” loan to the Agency. During the next five-year period, the Agency anticipates reimbursing the developer \$5.6 million contingent upon project performance.

### ***Plan Objectives Addressed:***

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Implement compatible design and use standards
- Remove impediments to development

### ***Conditions of Blight Addressed:***

- Defective design and character
- Age, obsolescence and deterioration
- Inadequate public improvements
- Social and economic maladjustment

## **Beach/Edinger Project**

### ***Description:***

In the Huntington Center sub-area, the Redevelopment Agency owns 1.3-acres that is being held for possible development after the proposed Edinger Corridor Specific Plan is approved and after Bella Terra (Huntington Center) is closer to completion.

### ***Action:***

Hold the property until the Edinger Corridor Specific Plan is completed. When feasible, evaluate proposals for development. Continue with annual maintenance of this vacant land.

### ***Expenditures:***

None are anticipated at this time.



**Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Redevelop underutilized parcels
- Remove impediments to development

**Conditions of Blight Addressed:**

- Inadequate public improvements

**Cypress and Elm****Description:**

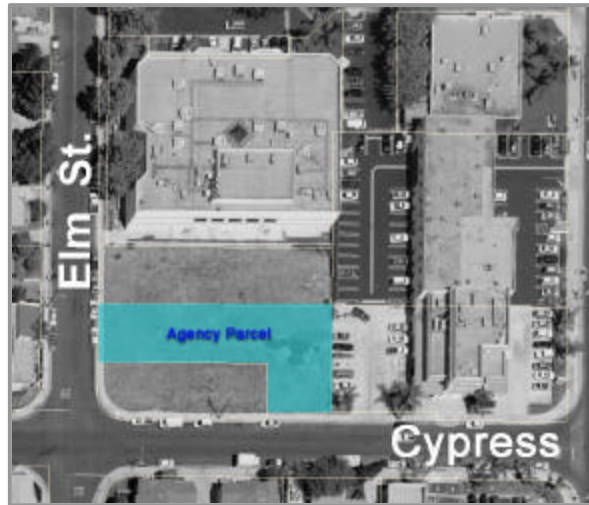
The .262-acre parcel owned by the Redevelopment Agency is proposed to be sold to the adjacent property owner to enlarge the capacity of the parking area. A new owner has purchased both properties and negotiations have not commenced.

**Action:**

Prepare an Owner Participation Agreement when timely and convey the property.

**Expenditures:**

None.

**Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Remove impediments to development

**Conditions of Blight Addressed:**

- Defective design and character
- Inadequate public improvements

**Oceanview Promenade – Abdelmuti Development****Description:**

Although this project was completed in 1992, there are two activities that need monitoring: 1) the Abdelmuti Development Company's loan payments of \$28,375 are obligated to be made monthly to the Agency and will continue to February 2010 and 2) possible Agency office rent subsidies may be due to the developer. Currently, the building is fully leased and no subsidy payments are being made.

**Action:**

Monitor the office tenant leases.

**Expenditures:**

Rental subsidies is a contingent obligation, with \$90,000 per year budgeted, the total of \$450,000 is budgeted for this obligation over the five years.

**Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Implement compatible design and use standards
- Remove impediments to development

**Conditions of Blight Addressed:**

- Defective design and character
- Age, obsolescence and deterioration
- Irregular lot subdivision
- Inadequate public improvements
- Social and economic maladjustment



## Auto Dealer Sign

**Description:**

The Redevelopment Agency approved a \$474,000 loan to the Huntington Beach Auto Dealers Association to improve the electronic reader board sign located near the 405 Freeway and Bella Terra.

**Action:**

Monitor the renovation of the reader board sign.

**Expenditures:**

None - the loan was made during the previous five-year period.

**Plan Objectives Addressed:**

- Expand commercial base of Project Area

**Conditions of Blight Addressed:**

- Defective design and character
- Age, obsolescence and deterioration

## Economic Development Program

Beyond those projects identified above, the Agency is also pursuing other possible economic development projects throughout the Project Area. Because these projects are still in a formative stage, specific project parameters and any subsidies are not yet available. However, all projects under the Agency's economic development program are oriented towards the elimination of Project Area blighting conditions, expansion of the community's economic base, and other Redevelopment Plan goals.

**Action:**

Monitor blighting conditions on an ongoing basis and evaluate economic development projects as they are proposed.

**Expenditures:**

During the five-year period, the Agency has allocated approximately \$2.5 million to implement economic development programs, contingent upon specific project needs.

**Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Expand commercial base of Project Area
- Improve public facilities and infrastructure
- Promote local job opportunities
- Implement compatible design and use standards
- Remove impediments to development

**Conditions of Blight Addressed:**

- Defective design and character
- Age, obsolescence and deterioration
- Inadequate public improvements
- Social and economic maladjustment

**Public Improvements**

The Agency is interested in improving the public infrastructure within the project area. Possible projects in this category may include the improvements to Main Street and needed improvements in the Oakview sub-area. The elimination blighting conditions, expansion of the community's economic base, and other Redevelopment Plan goals will continue to underline the intent of these projects.

**Expenditures:**

During the five-year period, the Agency has allocated approximately \$7.5 million to implement public improvement projects.

**Plan Objectives Addressed:**

- Alleviate and prevent the spread of blighting conditions
- Improve public facilities and infrastructure
- Remove impediments to development

**Conditions of Blight Addressed:**

- Age, obsolescence and deterioration
- Inadequate public improvements



**Non-Housing Projects Summary ~ Table II**

Program	Time Frame	Goals*	Blight Mitigated*	Estimated Cost
Waterfront – Hyatt Regency	Ongoing	A, B, C, F, J, K	d, e	\$10 million to repay Agency Loan for project development
Waterfront – Residential	Ongoing	A, C, D, E, H, I, J, K	A, b, c, d, e	None
Waterfront – Third Hotel	N/A	A, B, C, F, J, K	d, e	None
The Strand	Ongoing	A, B, C, F, J, K	a, b, c, d, e	\$2.3 million to repay Agency Loan for project development
Pacific City	Multi-year	A, B, C, F, J, K	a, b, c, d, e	Undetermined
Atlanta/Beach	Undetermined	A, B, C, F, H, J	a, b, d	Undetermined
Edinger Corridor Specific Plan Area	Ongoing	A, B, C, F, G, H, J, K	a, b, d, e	Undetermined
Huntington Center – Bella Terra	Ongoing	A, B, C, F, J, K	a, b, d, e	\$5.6 million to repay Developer Advance for project development
Beach/Edinger Project	4 years	A, B, C, F, J, K	d	Undetermined
Cypress & Elm	2 years	A, B, C, J	a, d	None
Oceanview Promenade	Ongoing	A, B, C, D, H, J	a, b, c, d, e	\$450,000
Auto Dealer Sign	1 year	B	a, b	None (Loan in prior period)
Economic Development	Ongoing	A, B, C, F, H, J	a, b, d, e	\$2 million
Public Improvements	Ongoing	A, B, C, D, E, J	a, b, d	\$10 million
			<b>TOTAL</b>	

*\*Note: For the completed projects, although the ongoing activity may now be only debt repayment, the Goals & Blight Mitigated mentioned here are for the project as when first implemented. See the Letter references expanded descriptions on the next page.*

**GOALS OF THE REDEVELOPMENT PLAN**

- A) Eliminate and prevent the spread of conditions of blight including: underutilized properties and deteriorating buildings, incompatible and uneconomic land uses, deficient infrastructure and facilities, obsolete structures, and other economic deficiencies in order to create a more favorable environment for commercial, office, industrial, residential, and recreational development.
- B) Expand the commercial base of the Project Area.
- C) Improve public facilities and public infrastructure.
- D) Improve inadequate drainage infrastructure.
- E) Improve and/or provide electric, gas, telephone, and wastewater infrastructure to both developed and undeveloped properties within the Project Area.
- F) Promote local job opportunities.
- G) Encourage the cooperation and participation of residents, businesses, business persons, public agencies, and community organizations in the redevelopment/revitalization of the Project Area.
- H) Implement design and use standards to assure high aesthetic and environmental quality, and provide unity and integrity to developments within the Project Area.
- I) Address parcels of property that are: of irregular form and shape, are inadequately sized for proper usefulness and development, and/or are held in multiple-ownership.
- J) Remove impediments to land disposition and development through the assembly of property into reasonably sized and shaped parcels served by improved infrastructure and public facilities.
- K) Recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources.
- L) Promote the rehabilitation of existing housing stock.
- M) Increase, improve, and preserve the community's supply of housing affordable to very low, low and moderate-income households.

**CONDITIONS OF BLIGHT (SIMPLIFIED)**

- a) Defective design & character
- b) Age, obsolescence & deterioration
- c) Irregular lot subdivision
- d) Inadequate public improvements
- e) Social & economic maladjustment

## ***Affordable Housing Programs ~ Housing Compliance Plan***

During the next five years, the Agency anticipates completing 10 projects that will produce approximately 439 new construction and 209 substantially rehabilitated units, totaling 648 affordable units. At the end of this Implementation Plan period, the total number of affordable units developed by the Agency will be 1,857.

Table III below lists the housing projects to be undertaken or completed during the next five years. These projects are more fully described in the companion document, the *Ten Year Housing Compliance Plan 2005-14*. All of the Agency housing programs to meet its requirements pertaining to this Five Year Implementation Plan are contained in the Compliance Plan.

The redevelopment goals of all of the housing projects are to either: a) promote the rehabilitation of existing housing stock or b) to increase, improve, and preserve the community's supply of housing affordable to very low, low and moderate-income households.

**Table III**  
**Affordable Housing Projects, Planning Period**

<b>Project</b>	<b>Time Frame</b>	<b>Funding Sources</b>	<b>Estimated Project Cost</b>
Beachview Villas SRO	1 year		No Agency Assistance
Citywide Acquisition & Rehabilitation	Continuous	Set Aside	\$3,750,000
Collette's Children's Home	1 year	Set-Aside	\$400,000
Ellis/Patterson	2 years	HOME / Set Aside	\$415,000
Habitat for Humanity – Delaware	1 year	HOME	\$194,400
Housing Rehabilitation Loans	Continuous	CDBG	\$500,000
Huntington Gardens	5 years		No Agency Assistance
Oakview Rehab	Continuous	HOME / Set-Aside	\$1,400,000
Pacific City Residential	3 years		Unknown
Studios at Center	3 years	Set-Aside	\$4,000,000

## **Five-Year Budget**

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The Tax Increment revenue of \$10.7 million forecasted for 2004-2005, anticipates a number of key projects being completed, namely the Waterfront residential component, the Strand Project (CIM), and Bella Terra. Looking forward, a conservative 2% increase is applied to estimate Tax Increment for the following fiscal years. The budget also contains other project revenues, including interest earnings, rental income, proceeds from property sold and transient occupancy tax reimbursements. Expenditures include project costs, bond debt service, loan repayments, pass-through payments, and other administrative costs.

The five-year total estimate for Agency expenditures is \$97 million for non-housing programs and over \$11.5 million for affordable housing programs. It could be estimated that the non-housing cash balance after five years would be approximately \$2.5 million and the housing set-aside cash balance is estimated at \$2 million.

## Estimated Five-Year Budget Non-Housing

	2004/05	2005/06	2006/07	2007/08	2008/09	5 Year Total
<b>EST. BEGINNING CASH BALANCE</b>	<b>\$1,826,549</b>	<b>\$11,244,196</b>	<b>\$6,920,638</b>	<b>\$5,170,058</b>	<b>\$3,537,862</b>	
<b>REVENUE</b>						
<b>Total Tax Increment</b>						
Main Pier	7,569,448	8,286,837	8,452,573	8,621,625	8,794,057	41,724,540
Huntington Center	1,513,680	2,268,954	3,064,333	3,125,619	3,188,132	13,160,717
Oakview	646,148	659,071	672,252	685,697	699,411	3,362,578
Talbert Beach	481,713	491,348	501,175	511,198	521,422	2,506,856
Yorktown Lake	463,964	473,244	482,708	492,363	502,210	2,414,489
<b>Tax Increment (100%)</b>	<b>10,674,953</b>	<b>12,179,452</b>	<b>13,173,041</b>	<b>13,436,502</b>	<b>13,705,232</b>	<b>63,169,180</b>
<b>Tax Increment Less 20% Housing Set Aside</b>	<b>8,539,962</b>	<b>9,743,562</b>	<b>10,538,433</b>	<b>10,749,202</b>	<b>10,964,186</b>	<b>50,535,344</b>
<b>Other Revenue</b>						
Interest Earnings	37,911	140,372	243,538	220,204	227,147	869,172
Main Pier	17,524,624	3,722,517	3,240,060	3,258,034	3,276,451	31,021,686
Huntington Center	6,924	607,093	607,093	607,093	607,093	2,435,296
Oakview	0	0	0	0	0	0
Talbert Beach	0	0	0	0	0	0
Yorktown Lake	0	0	0	0	0	0
<b>Sub Total Other Revenue</b>	<b>17,569,459</b>	<b>4,469,982</b>	<b>4,090,690</b>	<b>4,085,330</b>	<b>4,110,691</b>	<b>34,326,153</b>
<b>TOTAL REVENUE</b>	<b>28,244,412</b>	<b>16,649,434</b>	<b>17,263,732</b>	<b>17,521,832</b>	<b>17,815,923</b>	<b>97,495,334</b>
<b>EXPENSES</b>						
<b>Debt Service Fund</b>						
<b>Debt Service Fund</b>	16,064,815	16,087,318	16,191,568	16,298,805	16,409,129	81,051,636
<b>Operating Expenses</b>	663,950	693,673	724,744	757,223	791,177	3,630,767
<b>Projects Fund</b>						
Public Improvements	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Economic Development Activities	500,000	500,000	500,000	500,000	500,000	2,500,000
Abdelmuti Contract	90,000	90,000	90,000	90,000	90,000	450,000
ERAF Repayment	0	731,000	0	0	0	731,000
Housing Fund Repayment	0	1,363,000	0	0	0	1,363,000
Trustee Fees	8,000	8,000	8,000	8,000	8,000	40,000
<b>Total Projects Fund</b>	<b>2,098,000</b>	<b>4,192,000</b>	<b>2,098,000</b>	<b>2,098,000</b>	<b>2,098,000</b>	<b>12,584,000</b>
<b>TOTAL EXPENSES</b>	<b>\$18,826,765</b>	<b>\$20,972,992</b>	<b>\$19,014,312</b>	<b>\$19,154,028</b>	<b>\$19,298,306</b>	<b>\$97,266,402</b>
<b>NET INCOME</b>	<b>\$9,417,647</b>	<b>(\$4,323,558)</b>	<b>(\$1,750,581)</b>	<b>(\$1,632,196)</b>	<b>(\$1,482,382)</b>	<b>228,931</b>
<b>EST. ENDING CASH BALANCE</b>	<b>\$11,244,196</b>	<b>\$6,920,638</b>	<b>\$5,170,058</b>	<b>\$3,537,862</b>	<b>\$2,055,480</b>	

## Five-Year Budget Housing Set-Aside

	2004/05	2005/06	2006/07	2007/08	2008/09	5 Year Total
<b>EST. BEGINNING CASH BALANCE</b>	<b>2,993,675</b>	<b>3,577,867</b>	<b>6,050,686</b>	<b>3,453,601</b>	<b>4,932,708</b>	
<b>REVENUE</b>						
<b>Total Tax Increment</b>						
Tax Increment (20%)	2,134,991	2,435,890	2,484,608	2,534,300	2,584,986	12,174,776
SE Area Tax Increment (20%)						0
Interest	67,358	84,964	154,665	190,956	228,961	726,903
ERAF Repayment from 80%	0	731,000	0	0	0	731,000
Payment from Main-Pier	0	1,363,000	0	0	0	1,363,000
<b>Total Revenue</b>	<b>2,202,348</b>	<b>4,614,855</b>	<b>2,639,273</b>	<b>2,725,256</b>	<b>2,813,947</b>	<b>14,995,680</b>
<b>EXPENSES</b>						
<b>Projects</b>						
Property Tax Collection Charge	10,563	10,563	10,563	10,563	10,563	52,815
Rental Housing Acquisition	750,000	750,000	750,000	750,000	750,000	3,750,000
Collette's Children's Home	400,000	0	0	0	0	400,000
Ellis/Patterson	0	415,000	0	0	0	415,000
Oak View Rehab	280,000	280,000	280,000	280,000	280,000	1,400,000
Studios At Center			4,000,000	0		4,000,000
Repayment to Agency	0	500,000	0	0	0	500,000
<b>Sub-Total</b>	<b>1,440,563</b>	<b>1,955,563</b>	<b>5,040,563</b>	<b>1,040,563</b>	<b>1,040,563</b>	<b>10,517,815</b>
<b>Operating Expenses</b>						
Operating Expenses	177,593	186,473	195,796	205,586	215,865	981,313
<b>Total Expenses</b>	<b>1,618,156</b>	<b>2,142,036</b>	<b>5,236,359</b>	<b>1,246,149</b>	<b>1,256,428</b>	<b>11,499,128</b>
<b>NET INCOME</b>	<b>584,192</b>	<b>2,472,819</b>	<b>2,597,086</b>	<b>1,479,107</b>	<b>1,557,519</b>	<b>3,496,552</b>
<b>EST. ENDING CASH BALANCE</b>	<b>3,577,867</b>	<b>6,050,686</b>	<b>3,453,601</b>	<b>4,932,708</b>	<b>6,490,226</b>	